

# Falls Church Retail Study

**November 15, 2005**

Prepared for the Economic Development Office

By Retail Compass LLC

# Purpose of the Retail Study

To Understand Existing Retail Conditions

To Identify Past Impediments to Retail

To Determine Retail Development Potential

To Establish Realistic Expectations for Falls Church's Future Retail

# Retail 101 – Retail Categories

## 1. Neighborhood Goods and Services:



# Basic Needs

# Retail 101 – Retail Categories

## 2. Food and Beverages



Dining Out



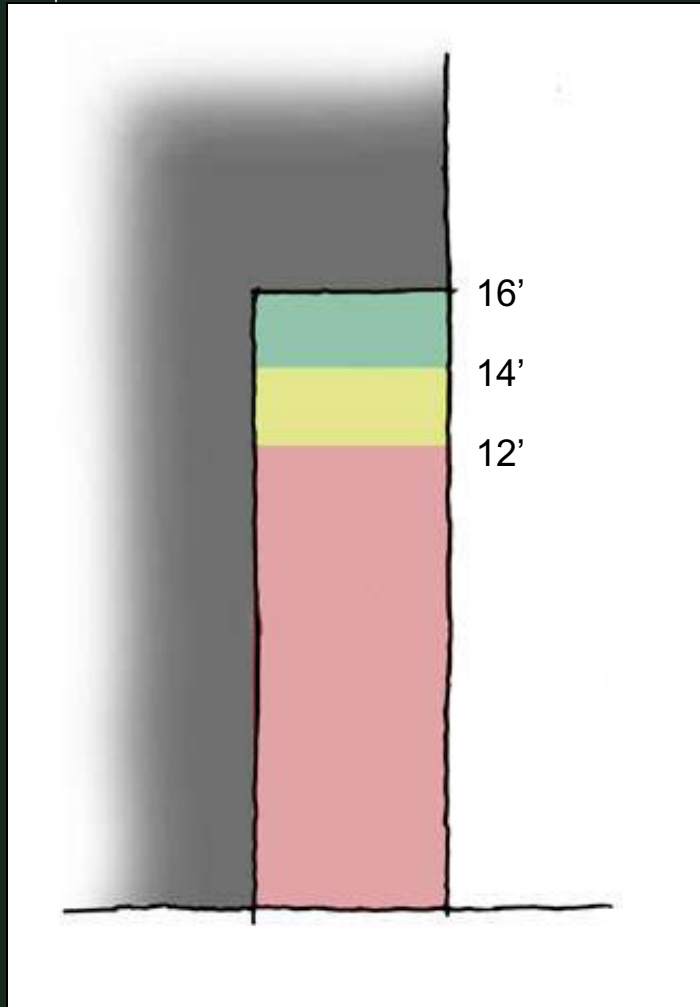
# Retail 101 – Retail Categories

## 3. General Merchandise, Apparel, Furnishings and Other



# Shoppers' Goods

# Retail 101 – Quality Retail Space

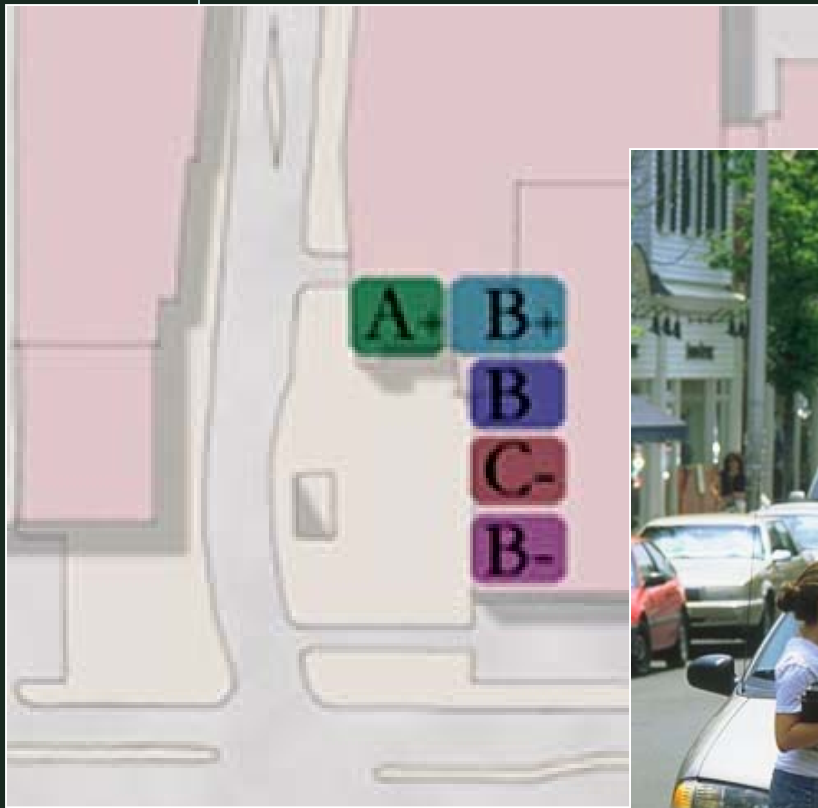


- Height  
*at least 12 feet*
- Bay width  
*20 to 30 feet*
- Depth  
*45 to 80 feet*

Most retailers have specific space requirements.

# Retail 101 – Quality Retail Space

- Sufficient, Retail-Appropriate Parking



- Accessible
- Visible



# Retail 101 – Types of Retail Centers



**Super Regional  
Retail**  
(Tyson's Corner Center)

3 or more  
department  
stores

500,000 to  
1.5 million  
sq feet +

15 – 100  
acres or  
more

300,000  
people or  
more in 12  
miles



**Regional Retail  
Center**  
(Seven Corners)

1 or more  
department  
store

300,000 to  
900,000 sq  
feet

10 -60  
acres

150,000  
people within  
8 miles



**Community Retail  
Center**  
(Market Common)

Large  
stores,  
restaurants,  
“place”

80,000 to  
300,000 sq  
feet

5 – 30  
acres

50,000  
people within  
5 miles



**Neighborhood  
Retail Center**  
(Falls Plaza)

Supermarket  
(not  
required)

15,000 to  
100,000 sq  
feet

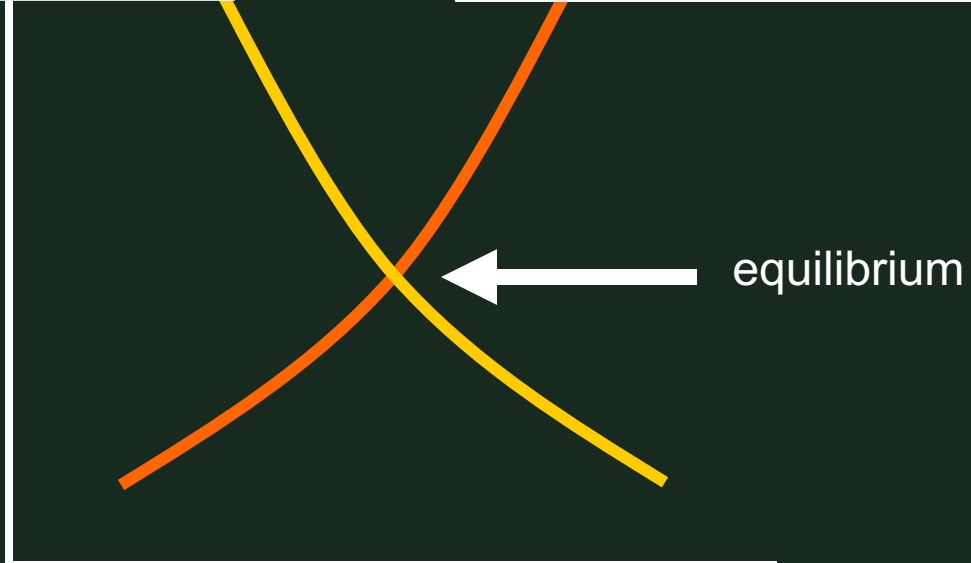
3 – 10  
acres

3,000 people  
within 1.5  
miles

Source: Urban Land Institute

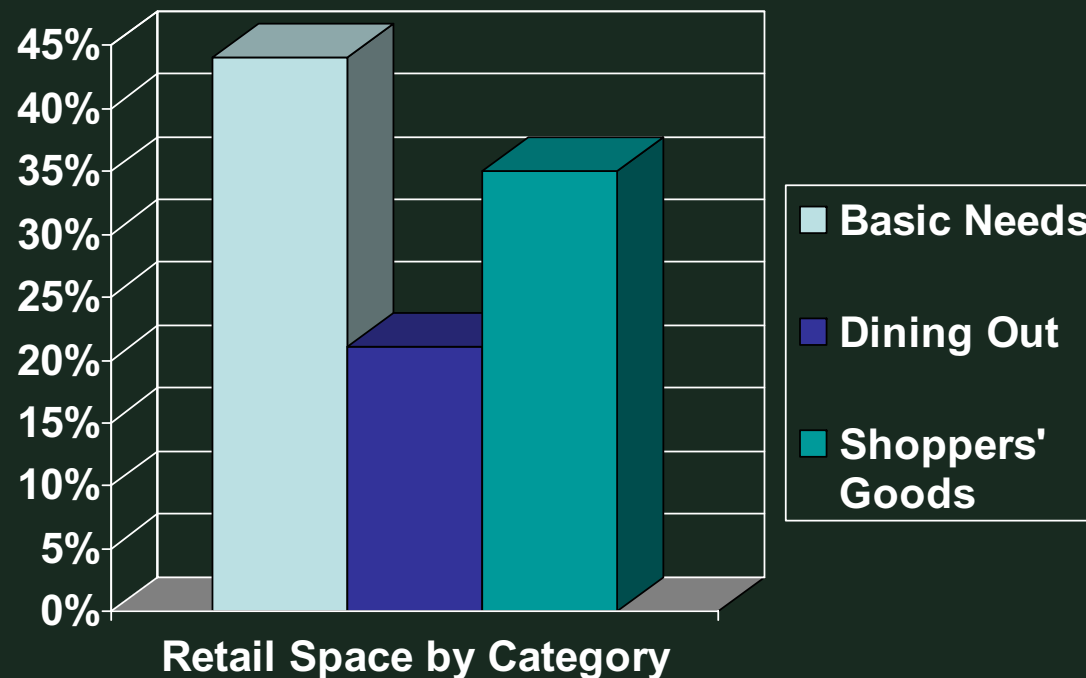


# Retail 101 – Supply vs. Demand



# Falls Church Retail Inventory

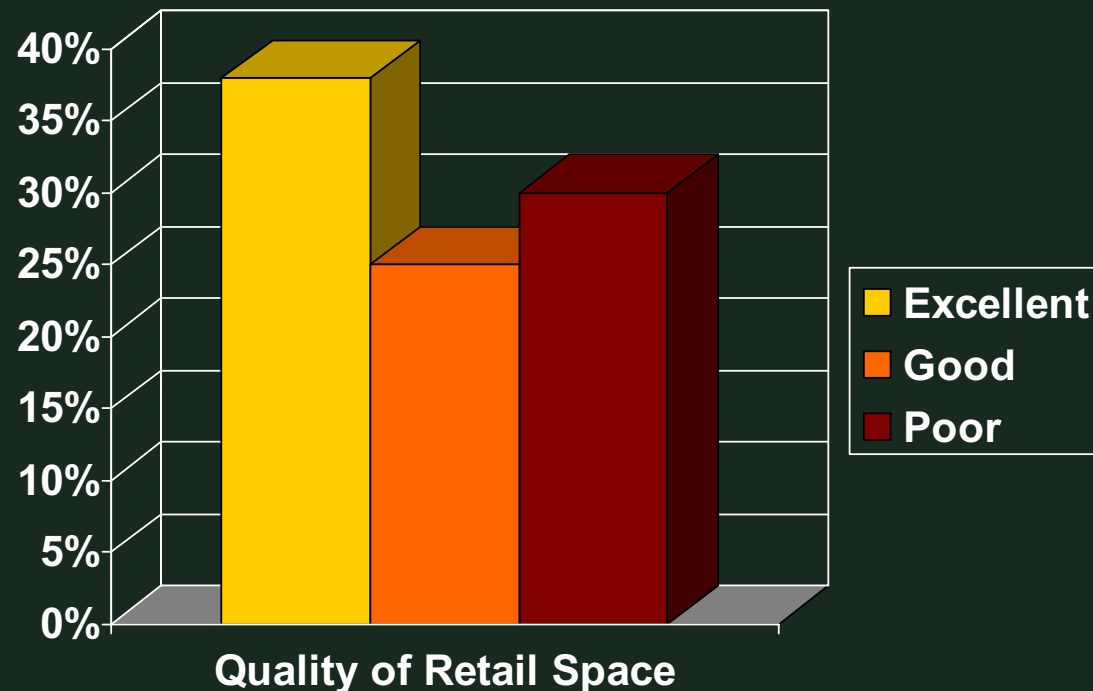
Approximately **500,000** square feet  
(not including Eden Center or entertainment uses)



The City can support more restaurants and cafes.

# Falls Church Retail Inventory

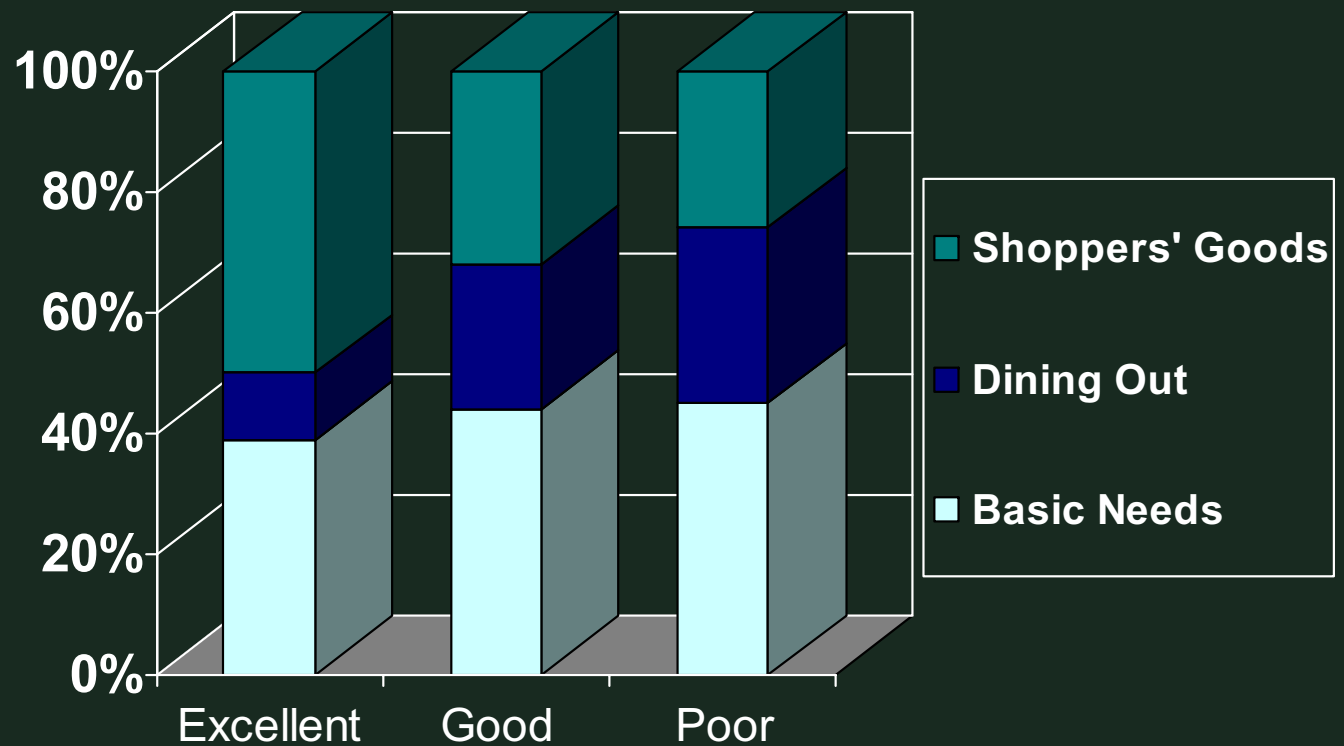
Approximately **500,000** square feet



Existing supply needs more quality space.

# Falls Church Retail Inventory

Approximately **500,000** square feet

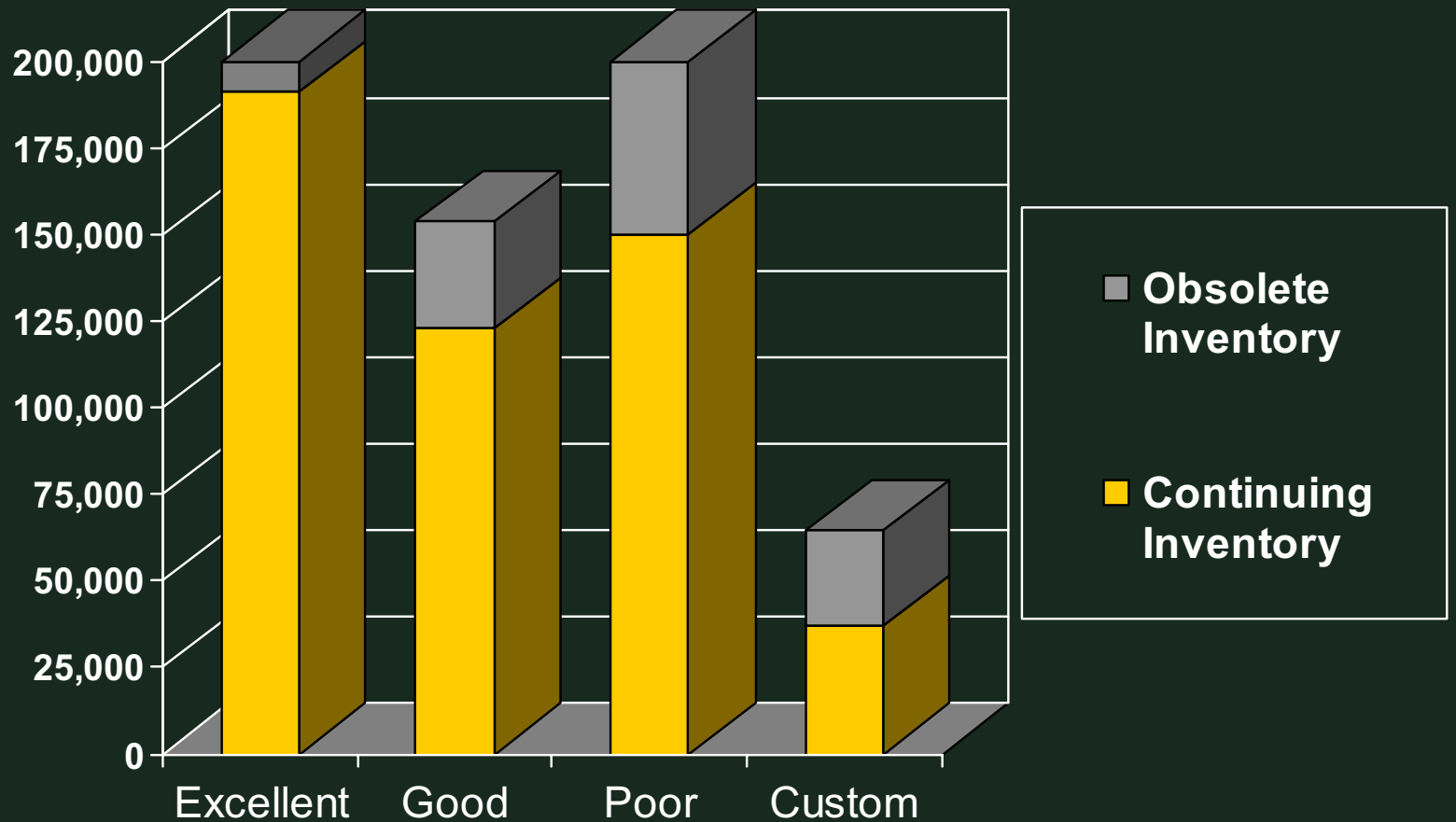


The City needs better space for more restaurants.



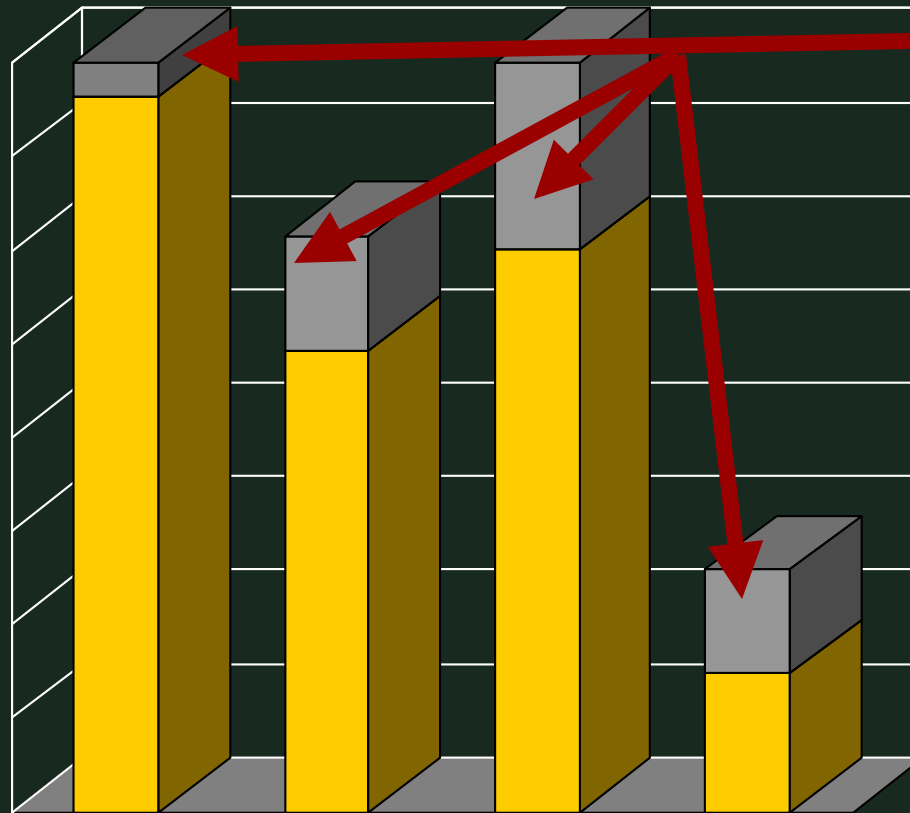
# Falls Church Retail Inventory

Approximately **500,000** square feet



# Falls Church Retail Inventory

Approximately **500,000** square feet



**= 144,000 sf**

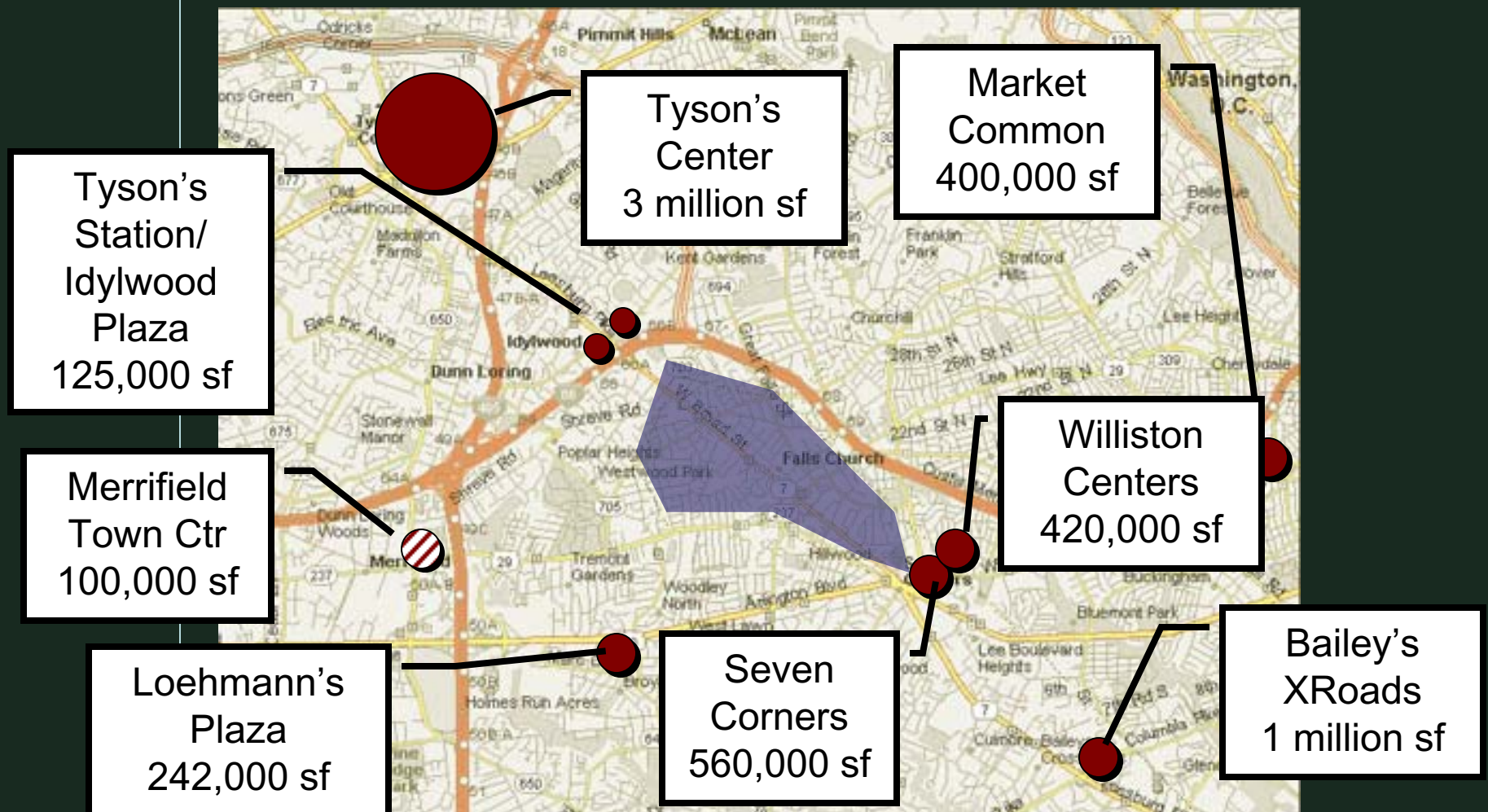
Existing retail space that will either be converted to a non-retail use or redeveloped as new retail space.

Falls Church “true inventory” of retail: 356,000 sf.

# What's Keeping Retailers Away?

- Lack of quality space and parking
- National tenants protect nearby locations.
- Local tenants can't find locations in concentrated retail centers or near anchors
- Inhospitable retail conditions along Route 7.

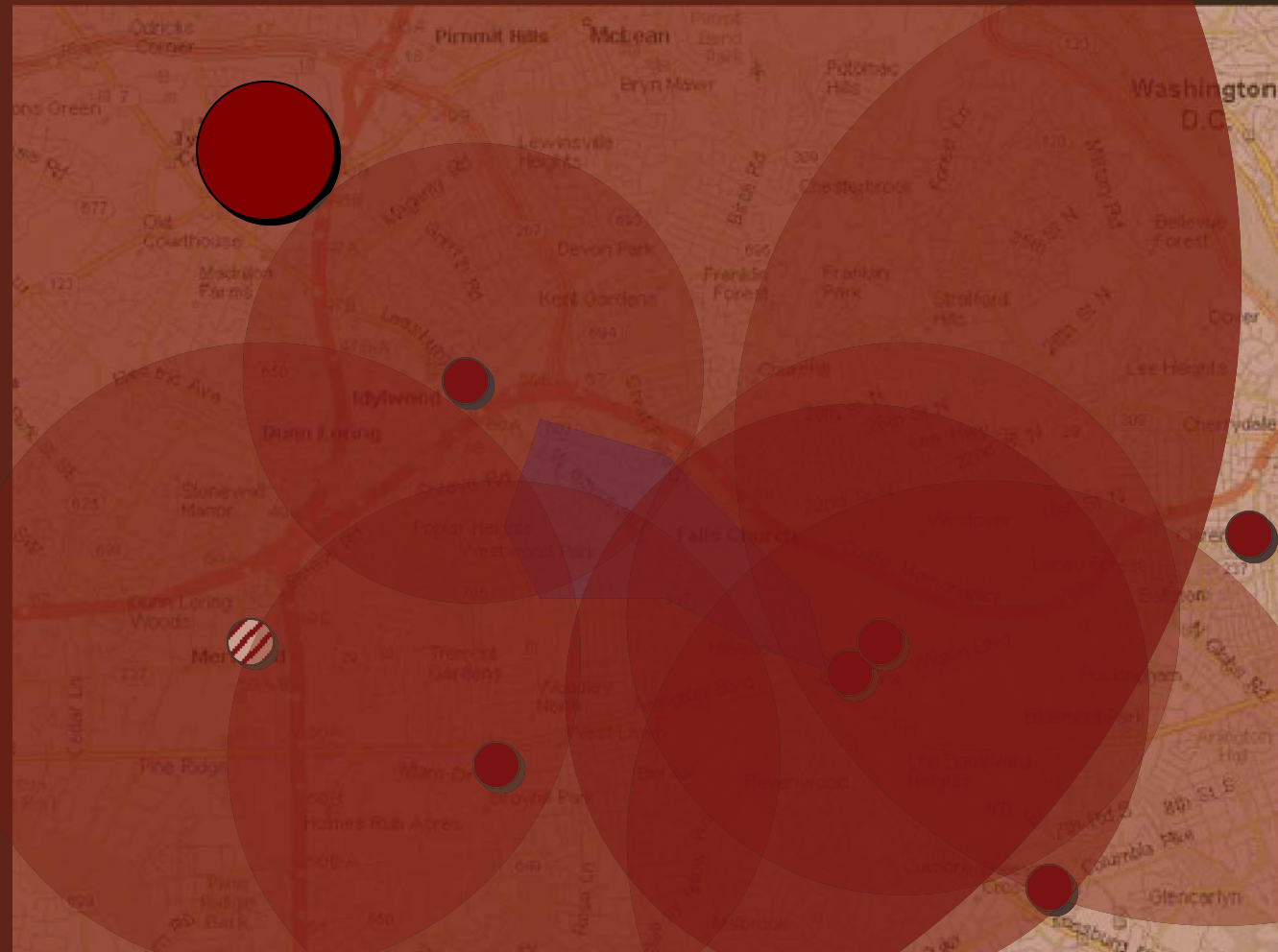
# Your Place in the Retail Market



Falls Church is an “in-between” retail location.



# Your Place in the Retail Market



Falls Church is regarded as “already served.”

# Your Place in the Retail Market

RUNNING SATURDAY ERRANDS

DINNER DATE

~~SHOPPING FOR A MOTHER'S DAY PRESENT~~

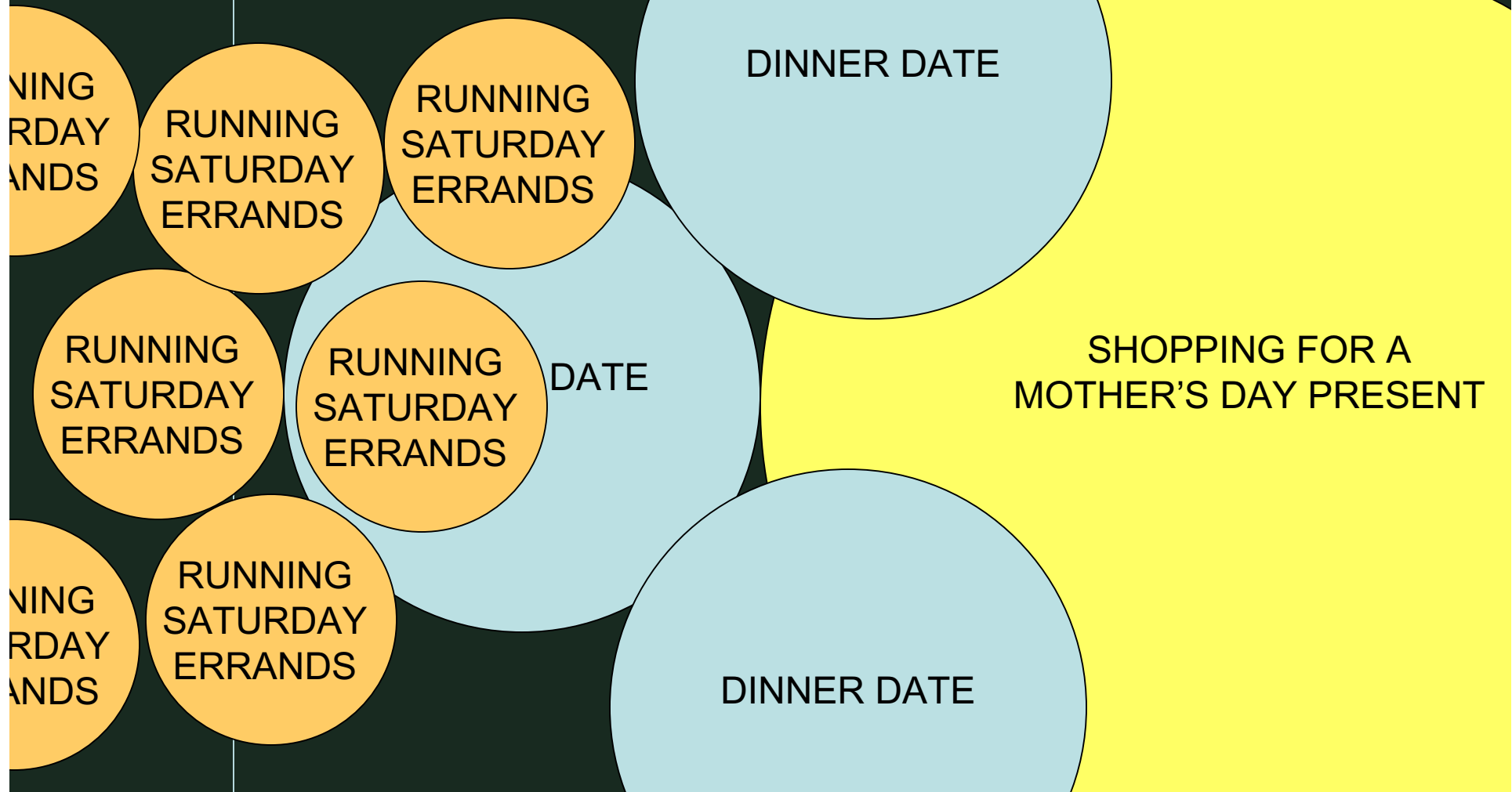
# Your Place in the Retail Market

RUNNING  
SATURDAY  
ERRANDS

DINNER DATE

SHOPPING FOR A  
MOTHER'S DAY PRESENT

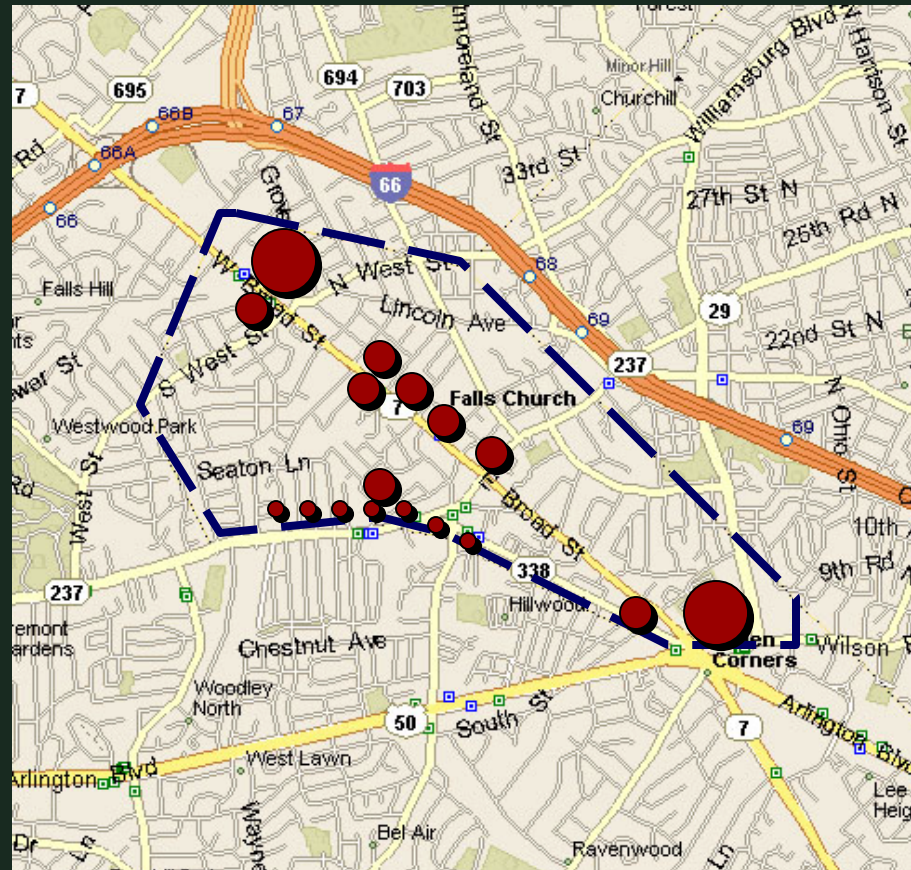
# Your Place in the Local Retail Market



Capture opportunities in the local retail market.

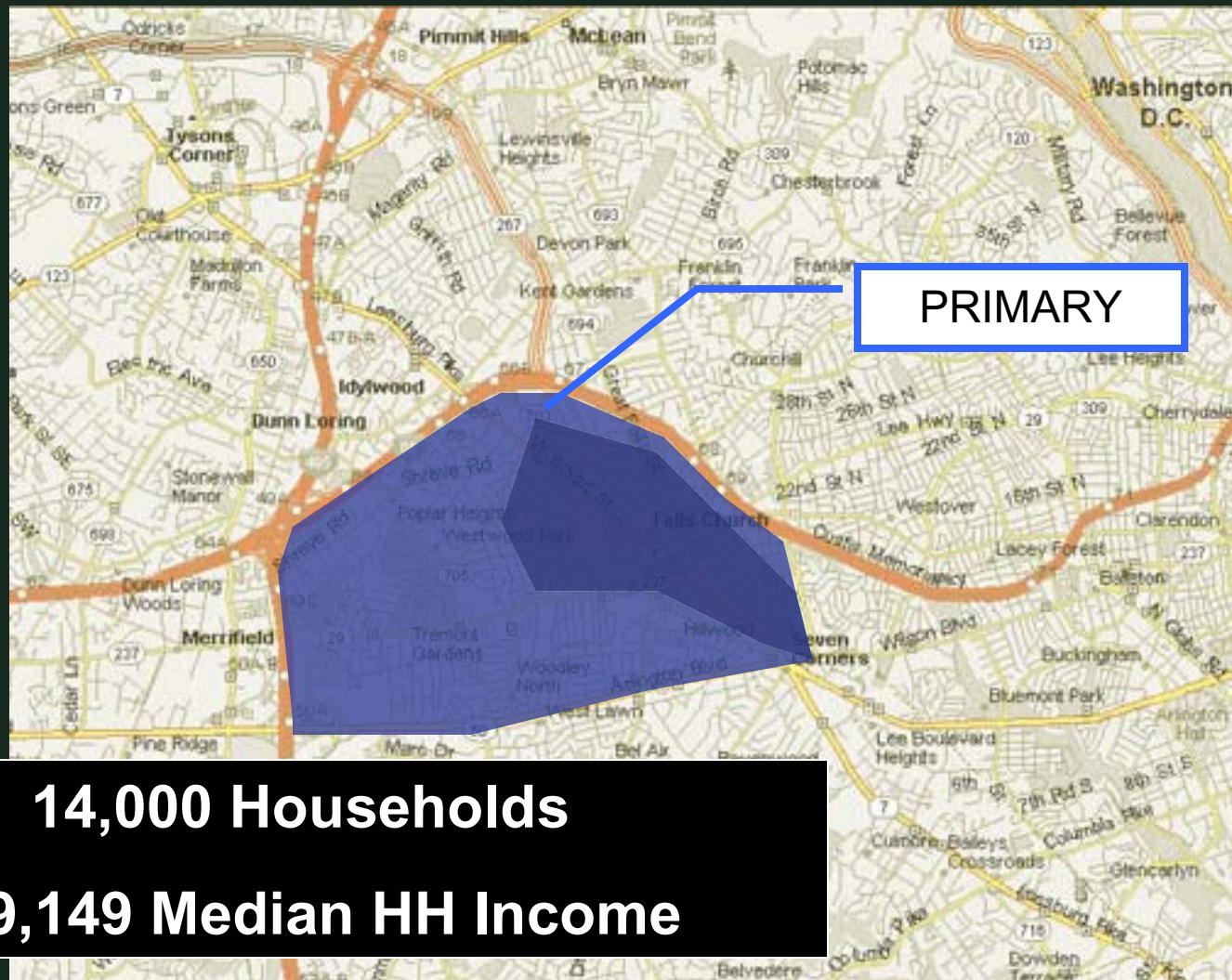


# Your Place in the Retail Market



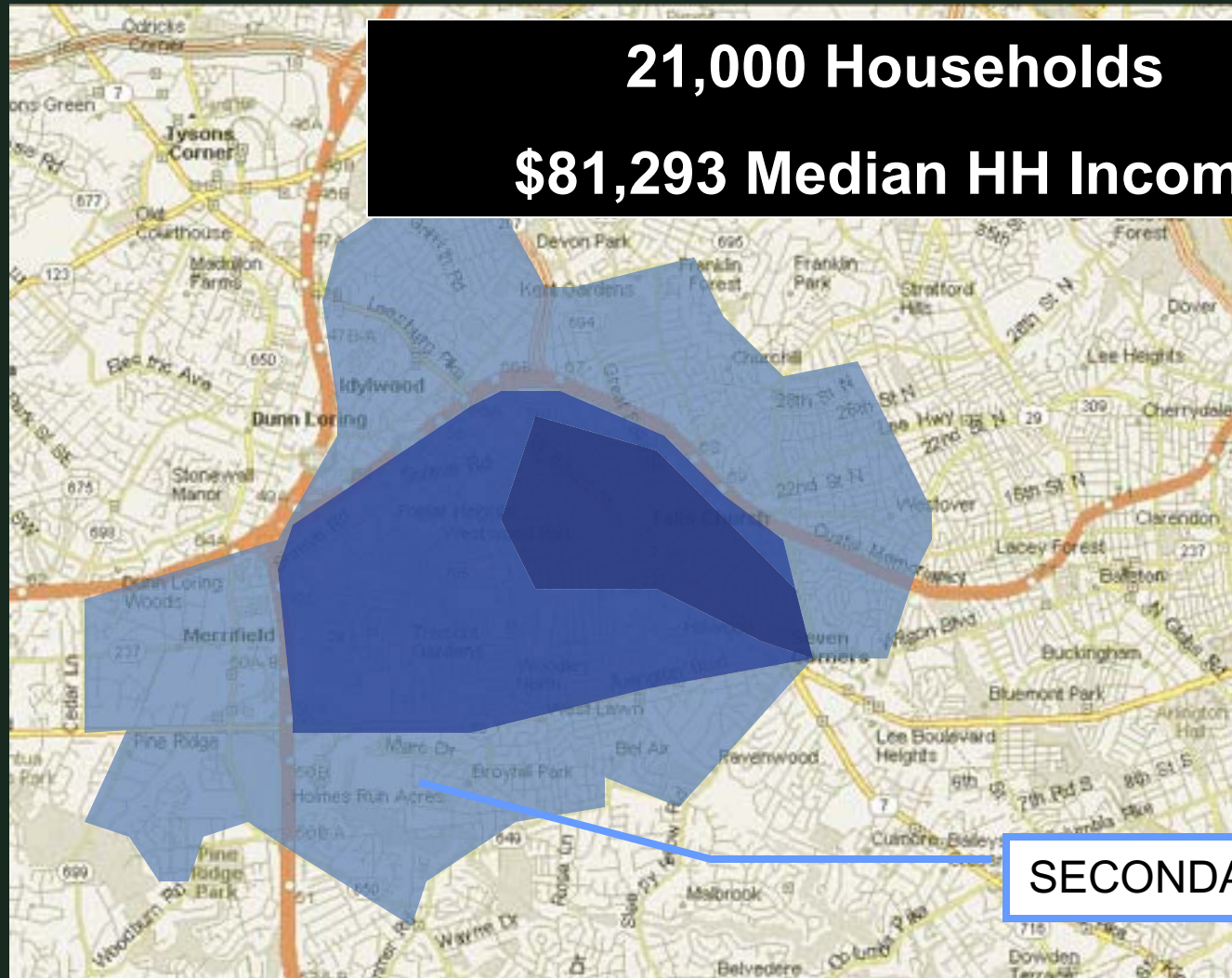
Today, no one knows what Falls Church retail is.

# Falls Church Purchasing Power





# Falls Church Purchasing Power



**21,000 Households**

**\$81,293 Median HH Income**

**SECONDARY**

# Calculating Retail Demand

	<b>Primary</b>	<b>Secondary</b>
Groceries	\$65,201,000	\$103,360,000
Prepared Foods	\$13,682,000	\$23,869,000
Food Away – Home	\$65,725,000	\$107,059,000
Reading Materials	\$8,789,000	\$14,153,000
Home Furnishings	\$46,121,000	\$70,140,000
Misc. Gifts	\$46,856,000	\$75,078,000
Apparel	\$78,833,000	\$131,704,000

Retail demand is limited by expenditures.



# Falls Church Retail Potential

$$\begin{array}{ccccc} \text{Total} & & & & \text{Total Unmet} \\ \text{Retail} & & & & \text{Retail Demand/} \\ \text{Supply} & - & \text{Total} & = & \text{Total Retail} \\ & & \text{Retail} & & \text{Development} \\ & & \text{Demand} & & \text{Potential} \end{array}$$

# Falls Church Retail Potential



# Falls Church Retail Potential



## New Retail Development (Add'l Supply)

The Byron	9,000 sf
The Spectrum	29,800 sf
Pearson Square	25,400 sf
	<hr/>
	64,200 sf

# Falls Church Retail Potential

Total Retail Potential	89,350 sf
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New Retail Development	- 64,200 sf
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	25,150 sf
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Population/Workforce	
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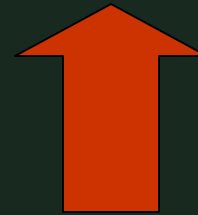
Increases 2005-2010	+ 27,000 sf
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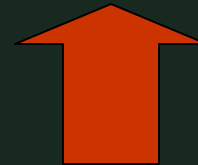
Projected 2010 Demand	Approx. 55,000 sf
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# Factors That Increase Demand

Residential Unit



1,000 sf of Office Space



Hotel Room





# Factors That Increase Demand



A Specialty Grocery Store + 12,000 sf



Theater/Cinema/Music + 8,000 sf



FC-authentic environment + 50,000 sf

# Falls Church Retail Potential

Total Retail Potential	89,350 sf
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New Retail Development	- 64,200 sf
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	25,150 sf
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Population/Workforce	
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Increases 2005-2010	+ 27,000 sf
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Projected 2010 Demand	Approx. 55,000 sf
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# Falls Church Retail Potential

Falls Church  
Projected  
2010  
Demand + City Center  
Res/Office-  
Generated  
Demand + "Great  
Place"/  
Unique  
User  
Factors + Existing  
Retail  
Space

# Retail for City Center



Total Estimated Retail Potential for City Center:  
Approx. 160,000 – 200,000 sf

An increase in retail quality, not in retail space.



# City Center Residential Benefits



- Difficult for local retailers to pay market-competitive rents.
- Residential market is highest performing in Falls Church.
- Well-performing residential can reduce \$\$ burden on retail tenants.

Residential creates option for affordable retail rents.

# Appropriate Retail at City Center



Collection of  
Restaurants and Cafes

CITY  
CENTER



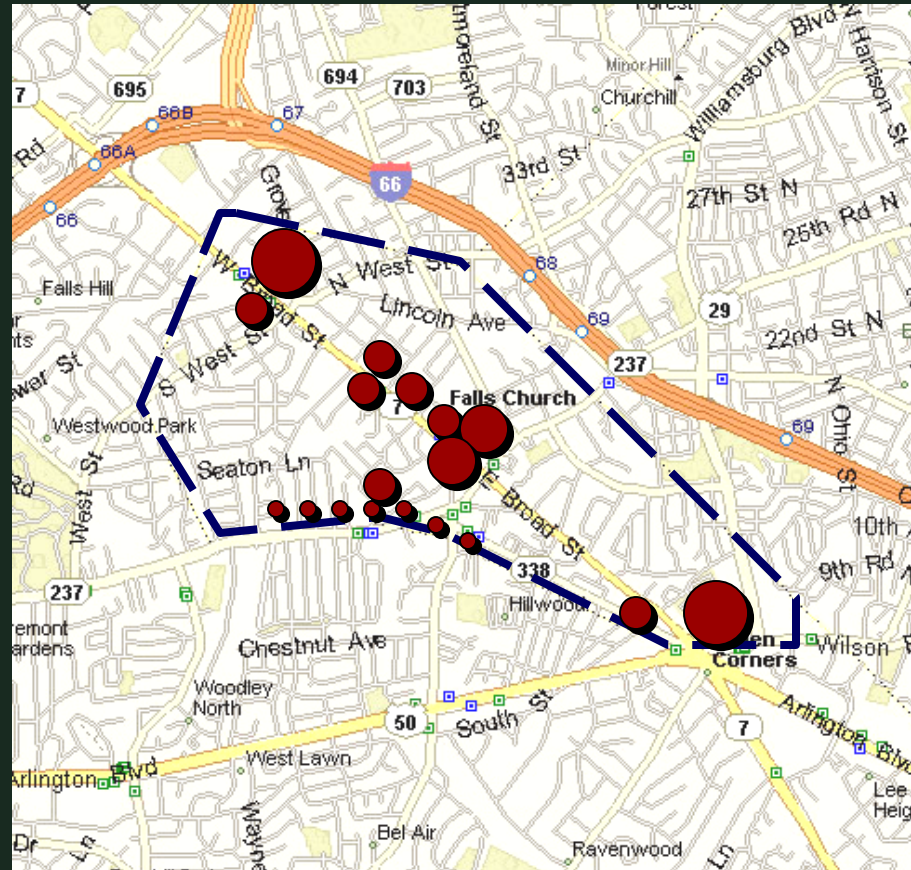
Specialty Grocery and  
Basic Goods/Services



Cluster of Home Décor/  
Improvement Stores

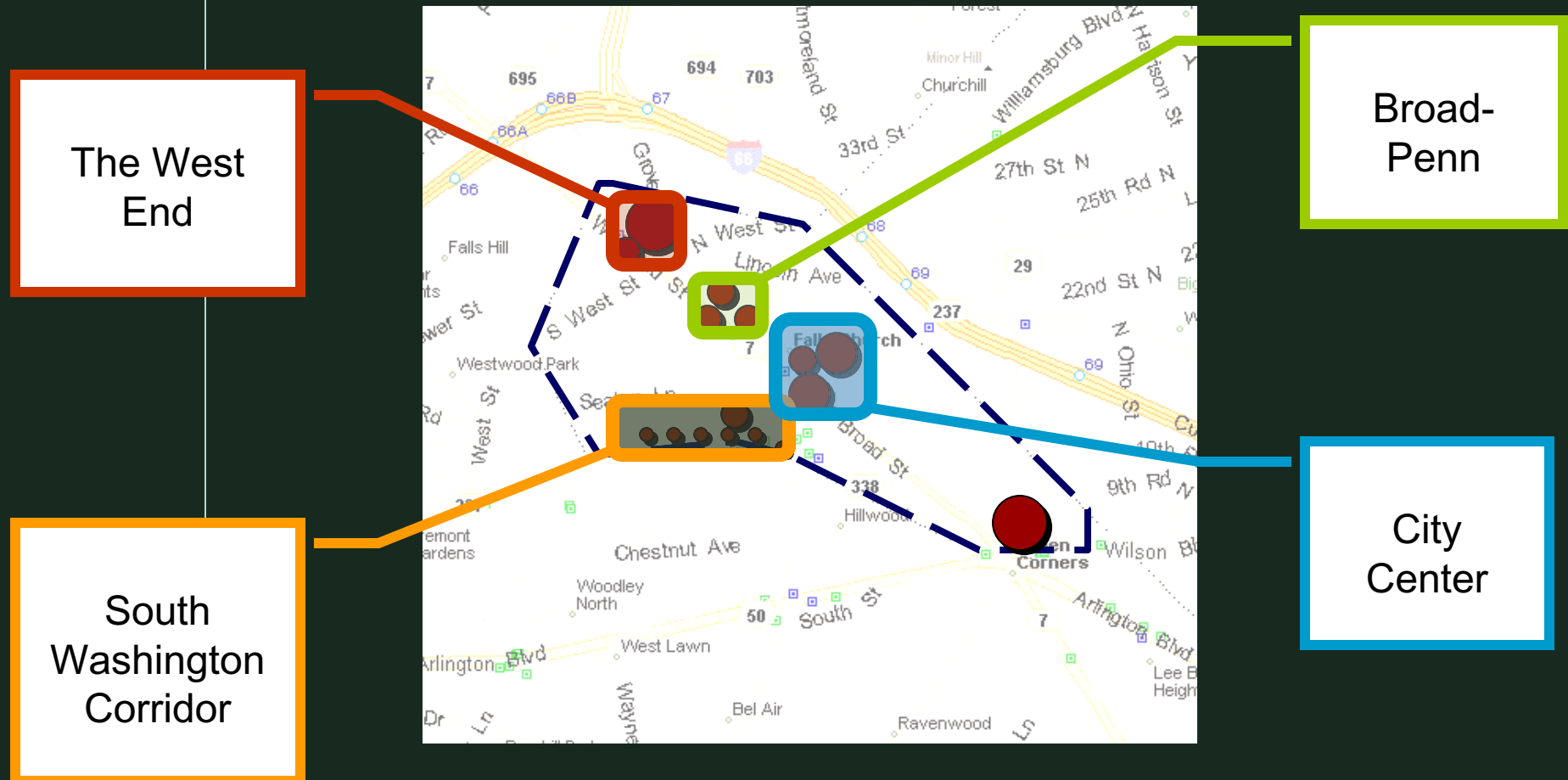


# Focusing Retail Development



Today, no one knows what Falls Church retail is.

# Proposed Retail Districts



# Sporadic new retail space jeopardizes City Center.

# Supporting Retail at City Center

- Stop encouraging new ground floor retail throughout the City.
- Leverage residential development to permit lower retail rents.
- Construction of concentrated, nearby development w/o retail.
- Well-designed retail space in City Center project.
- Involvement of a reputable retail development company/brokerage firm.

# Retail Study Conclusions

- Retail demand is LIMITED.
- Local retail competition is STRONG.
- The best approach CONCENTRATES new retail...
- ...provides each retail district with a unique IDENTITY or brand...
- ...and offers a retail mix that fills GAPS in the local market.
- Aggressive developer retail strategies should be examined, yet considered.

## What Needs to Be Done:

- ☐ New retail development should be focused at City Center.
- ☐ Retail districts should be reinforced and marketed.
- ☐ Retail development guidelines for City Center must be created.
- ☐ Retail development and identity should be pursued in a timely manner (new competition growing fast).

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